

REMARKS

Claims 1-16 stand rejected under 35 U.S.C. § 102(e). Claims 1, 10, 11 and 16 are independent claims. Claims 10, 11 and 16 have been amended to more clearly define the Applicants' claimed invention. Applicants' request that dependent claims 17-20 be added to the application. Applicants respectfully request reconsideration of the pending claims 1-20 in light of the following remarks.

Amendment to Title

Please enter the amendment to the title as indicated.

Rejection of Claims 1-16 under 35 U.S.C. § 102(e)

The Office Action rejected Claims 1-16 under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent No. 6,321,205 to Elder ("Elder").

Claim 1 recites, among other limitations, "establishing a criterion for success," and "checking for a ... plurality of periods, for each said scenario, whether said market value satisfies said criterion...."

Elder focuses on modeling impacts to financial statements. Specifically, Elder discloses a system for evaluating the probable impact that changes in business "value drivers" will have on other "value drivers" and the future value of a commercial enterprise, where "value drivers" are defined as the "item variables and item performance indicators that drive revenue, expense and changes in capital" for each tangible or intangible element of value to the business enterprise. (Elder Abstract; col. 22, ll. 46-54) After identifying the value drivers, the Elder system purportedly performs a valuation of the enterprise using predictive models to determine the relative impact of each value driver on the overall enterprise valuation. (Elder Abstract)

In contrast to the present invention, Elder does not disclose modeling whether financial goals will be met. Specifically, Elder does not allow for the establishment of a threshold criterion of success or check for a plurality of periods whether simulated market values satisfy such criterion. Like the prior art identified by Applicants in the discussing the background of their invention, the Elder system "fail[s] to simulate certain

real life threshold concerns ... One significant effect of this is to overstate the desirability of an aggressive portfolio in certain situations." (Specification p. 2, ll. 19-21) Thus, among other differences, Elder fails to take into account real life concerns that "the number of paths that satisfy all intermediate goals and thresholds may decrease with increased volatility." (Specification, p. 3, ll. 6-9)

The Office Action cites column 13, line 34 though column 37, line 20 of Elder as teaching "checking for a second plurality of periods, for each said scenario, whether said market value satisfies said criterion for success." (Office Action, p.3) Applicants have reviewed the Elder specification, including the 24 columns cited by the Office Action, and respectfully disagree with this conclusion. The sections of Elder cited by the Office Action discuss: (i) extracting, aggregating and storing financial data relating to an enterprise (Elder col. 13, l. 34 – col. 23, l. 44; see Figs. 5A and 5B); (ii) identifying "value drivers" and calculating "composite variables" ("composite variables" characterize the performance of the tangible or intangible elements of value of the business enterprise) (Elder col. 23, l. 45 – col. 35, l. 10; see Figs. 6A – E); and (iii) valuing growth options for the enterprise. (Elder col. 35, l. 12 – col. 37, l. 20; see Fig. 7) Elder uses option pricing algorithms in valuing such growth opportunities. (Elder col. 6, ll. 25-26) The use of option pricing algorithms is purportedly intended to address two allegedly erroneous assumptions that are made in traditional discounted cash flow analysis, namely, the assumption that investment decisions are reversible, and the assumption that investment decisions can not be delayed. (Elder col. 6, ll. 26-40)

However, Elder does not teach or disclose establishing a threshold criterion of success or checking for a plurality of periods whether the criterion is satisfied.

Accordingly, claim 1 is believed to be patentable over the prior art made of record.

Claim 11 recites, among other limitations, establishing a criterion for success associated with a plurality of periods, simulating a plurality of market scenarios and applying the criterion to each said scenario. Claim 16 recites, among other limitations, a database including a criterion for success associated with a plurality of periods, and a processor configured to simulate a plurality of market scenarios and apply said criterion

to each said scenario. Accordingly, claims 11 and 16 are believed patentable over Elder for the reasons discussed above with respect to claim 1.

Claim 10 recites, among other limitations, "receiving [a] plurality of financial goals" associated with a user, "converting said ... financial goals into cash flows," and "determining the ... probability that [such] cash flows will be satisfied...." Similarly to the distinctions discussed above, Elder does not teach or disclose receiving a plurality of financial goals associated with a user, converting such goals into cash flows and determining the statistical probability that such goals will be met. Accordingly, claim 10 is believed patentable over the prior art made of record.

Claims 2-9 depend (directly or indirectly) from claim 1; claim 12-15, 19 and 20 depend (directly or independently) from claim 11; and claims 17 and 18 depend from claim 16 and are therefore believed allowable over Elder for at least the reasons given above with respect to claims 1, 11 and 16, respectively.

SUMMARY

Applicants have submitted arguments to overcome the 35 U.S.C. § 102(e) rejection. In view of the forgoing supporting remarks, Applicants respectfully request allowance of pending claims 1-20.

A Petition for Extension of Time is enclosed extending the time to respond to the Office Action dated June 27, 2002 for three months.

If the Examiner wishes to direct any questions concerning this application to the undersigned Applicants' representative, please call the number indicated below.

Dated: December 19, 2002

Respectfully submitted,



Andrew Strobert
Reg. No. 35,375

Attorneys for Applicants
(212) 735-3000
Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, NY 10036

Appendix A
In The Claims

10) (Amended) A method, with the aid of a digital computer, of determining the probability that a plurality of financial goals associated with a user will be met based on a set of probabilistic return assumptions, comprising:

- (a) receiving said plurality of financial goals on said computer;
- (b) converting said plurality of financial goals into cash flows;
- (c) receiving, on said computer, a set of financial assets [for said client] associated with said user;
- (d) applying said probabilistic return assumptions to said financial assets on a periodic basis; and
- (e) determining the statistical probability that said cash flows will be satisfied on a periodic basis.

11) (Amended) A method, with the aid of a digital computer, of determining the probability that a financial goal expressed as a cash outflow will be met, comprising:

- (a) identifying a set of assets, said assets associated with a market value;
- (b) establishing a criterion for success, said criterion for success associated with a plurality of periods;
- (c) simulating a plurality of market scenarios on said assets, each said scenario adjusting said asset market value of said assets for each said period;
- (d) applying said [criteria] criterion for success to each said scenario; and
- (e) calculating the probability said [criteria] criterion for success will be satisfied.

16) (Amended) A computer system for determining the probability that a financial goal expressed as a cash outflow will be met, comprising:

- (a) a database including:

- (i) a set of assets associated with a user, said assets associated with a market value; and
- (ii) a criterion for success associated with said user, said criterion for success associated with a plurality of periods; and
- (b) a programmed processor configured to:
 - (i) simulate a plurality of market scenarios on said assets, each said scenario adjusting said market value of said assets for each said period;
 - (ii) apply said [criteria] criterion for success to each said scenario; and
 - (iii) calculate the probability said user will satisfy said associated [criteria] criterion for success.

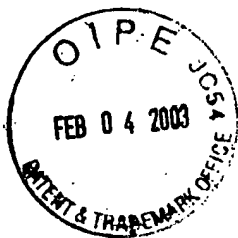
Please add the following new claims:

- 17) The computer system of claim 16 wherein, said database includes a plurality of financial goals associated with said user;
 said processor is configured to convert said plurality of financial goals into cash flows; and
 said simulation of a plurality of market scenarios on said assets includes applying said cash flows to said adjusted market values.
- 18) The computer system of claim 16 wherein said criterion for success varies for each said period of said plurality of periods.
- 19) The method of claim 11 wherein said criterion for success varies for each said period of said plurality of periods associated with said criterion.
- 20) The method of claim 11 further comprising:
 receiving said cash outflow associated with said plurality of financial goals; and
 determining the statistical probability that said cash outflows will be satisfied on a periodic basis. --

Appendix B

In the Title

**Title: (Amended) METHOD AND SYSTEM FOR [REMOTELY] COMPUTING
PATH DEPENDENT PROBABILITIES OF ATTAINING FINANCIAL GOALS**



☐ Express Mail No. 09/629589 ☒ First Class Mail: Date Mailed DEC. 19, 2002
Serial No. 09/629589 Filed: JUN 31, 2000
Inventor(s): CHHABA
Title: METHOD AND SYSTEM FOR IDENTIFYING COMPUTING PATH DEPENDENT PROBABILITIES OF ATTAINING FINANCIAL GOALS

<input checked="" type="checkbox"/> Fee Calculation and Authorization <input checked="" type="checkbox"/> Transmittal Form <input type="checkbox"/> Notice of Appeal <input type="checkbox"/> Appeal Brief <input type="checkbox"/> Assignment w/ Recordation Cover Sheet <input type="checkbox"/> Declaration and Power of Attorney <input type="checkbox"/> Information Disclosure Statement <input type="checkbox"/> List of References (1449) () w/References <input type="checkbox"/> Issue Fee Transmittal <input type="checkbox"/> Non Publication Request <input type="checkbox"/> Req. to Rescind Non-Publication Request <input type="checkbox"/> PCT Request <input type="checkbox"/> PCT Demand	<input type="checkbox"/> Utility Application ___ pages, including Abstract, Claims: ___ sheets Drawings <input type="checkbox"/> Design Application <input type="checkbox"/> Provisional Application <input checked="" type="checkbox"/> Petition for Extension of Time <input type="checkbox"/> Request for Continued Prosecution (RCE) <input type="checkbox"/> Response to Missing Parts Notice w/ Notice <input checked="" type="checkbox"/> Response/Amendment (w/Appendices) <input type="checkbox"/> Response to Invitation to Correct Defects <input type="checkbox"/> Revocation and Power of Attorney <input type="checkbox"/> Submission of Formal Drawing(s) ___ Sheet(s) Formal Drawing(s)
---	---

OTHER: _____

Atty: Docket No. JPM-002 Attorney A-STROBERT

☐ Express Mail No. 09/629589 ☒ First Class Mail: Date Mailed DEC. 19, 2002
Serial No. 09/629589 Filed: JUN 31, 2000
Inventor(s): CHHABA
Title: METHOD AND SYSTEM FOR IDENTIFYING COMPUTING PATH DEPENDENT PROBABILITIES OF ATTAINING FINANCIAL GOALS

DEC 26 2002

<input checked="" type="checkbox"/> Fee Calculation and Authorization <input checked="" type="checkbox"/> Transmittal Form <input type="checkbox"/> Notice of Appeal <input type="checkbox"/> Appeal Brief <input type="checkbox"/> Assignment w/ Recordation Cover Sheet <input type="checkbox"/> Declaration and Power of Attorney <input type="checkbox"/> Information Disclosure Statement <input type="checkbox"/> List of References (1449) () w/References <input type="checkbox"/> Issue Fee Transmittal <input type="checkbox"/> Non Publication Request <input type="checkbox"/> Req. to Rescind Non-Publication Request <input type="checkbox"/> PCT Request <input type="checkbox"/> PCT Demand	<input type="checkbox"/> Utility Application ___ pages, including Abstract, Claims: ___ sheets Drawings <input type="checkbox"/> Design Application <input type="checkbox"/> Provisional Application <input checked="" type="checkbox"/> Petition for Extension of Time <input type="checkbox"/> Request for Continued Prosecution (RCE) <input type="checkbox"/> Response to Missing Parts Notice w/ Notice <input checked="" type="checkbox"/> Response/Amendment (w/Appendices) <input type="checkbox"/> Response to Invitation to Correct Defects <input type="checkbox"/> Revocation and Power of Attorney <input type="checkbox"/> Submission of Formal Drawing(s) ___ Sheet(s) Formal Drawing(s)
---	---

OTHER: _____

Atty: Docket No. JPM-002 Attorney A-STROBERT